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TO : Department of State

DEPARTMENT OF COMMERCE

THE UNIVERSITY OF CHICAGO

111-15-10000-00000

JUN 19 1957

INFO : RIO DE JANEIRO UNN

100-443887-100

FROM : Amembassy ASUNCION

DATE: July 3, 1963

SUBJECT: Paraguay's Position on the Guairá Falls

REF : Embo. A-515, June 19, 1963

SUMMARY

Following reports that the Brazilian Government had decided to divert the waters of the Guairá Falls for its own use, the opposition political parties expressed profuse indignation. The political opposition in Congress succeeded in getting a resolution adopted, asking the GOP to submit a report to Congress on the matter.

The GCF's report, resting on international treaties and agreements signed with Brazil, notes that the area in question is yet to be delineated by the Paraguayan-Brazilian Mixed Boundary Commission. The GCF's position, therefore, is to await

final

Enclosures: att & P

5 Copies of the GOP report to Congress on La Guaira Falls as reprinted in Patria of June 20, 1963.

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☐ Other

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Contents and Classification Approved by
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Clearances

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From Asunción

final demarcation of the area, notwithstanding the fact that the Brazilian note of September 19, 1962, addressed to the GOP, asserts that the Falls are "wholly situated in the territory of Brazil."

The GOP report was received favorably by the Congress, and, it seems, at least for the time being, to have assuaged opposition fears. Whether this restored tranquillity will persist, however, would seem to depend on whether or not Brazil will insist on maintaining its position.

A Brief Discussion of Political Implications

For a time it seemed as if opposition political forces had united in defense of the nation's patrimony. The rallying point were reports, originally carried by the Brazilian newspaper Jornal do Brasil on February 13, 1962, to the effect that the Brazilian Government had decided to contract with a private firm for a preliminary survey leading to the utilization of the Guairá Falls* by the Brazilians. This was interpreted by local opposition parties, led by the regular Liberals, as a "sell-out" by the Colorado government. The opposition argued that the falls partially, if not entirely, formed part of the territorial limits of the nation and, hence, the Brazilians were infringing on Paraguay's territorial sovereignty.

The argument, as presented, was rather convincing and had the sort of nationalistic appeal that usually arouses the bellicose spirit of Paraguayans. Among other things, suggestions were made to the effect that President STROESSNER, by having accepted military training in Brazil; by having taken asylum in the Brazilian Embassy at the time of his abortive coup in 1948; by having accepted such gifts as the international bridge at Puerto Presidente Stroessner; and by having been extended much needed moral support generally by the Brazilians, particularly during the time of Juscelino Kubitschek, had so indebted himself that he could not take a firm stand on the issue of the Guairá Falls.

Only

* Referred to variously in Spanish and Portuguese as "Salto Grande de las Siete Caídas," "Salto de las Sete Quedos," or "Salto del Guairá."

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Only the Catholic weekly Comunidad, although belatedly, undertook to present the problem rationally. Its issue of June 15 reviewed the matter from the beginning (1872) and noted that the disputed area, the Guairá Falls, was still under study and that, as yet, the exact boundary remained undetermined.

There had been such comment, however, that the splinter group of the Revolutionary Directorate of the Liberal Party, headed by Dr. Carlos LEVI Ruffinelli, taking the lead from the regular Liberals, introduced a resolution (adopted May 2, 1963) in Congress calling upon the Executive Branch for a thorough report on the matter.

The GOP's Position

The Foreign Ministry's report to Congress was published on the front page of the June 20 issue of Patria (thermofax copies enclosed), official organ of the Colorado Party. The Ministry states that there are only three agreements with Brazil concerning the Guairá Falls: the Boundary Treaty of January 9, 1872, signed in Asunción; a supplementary agreement to the Treaty of 1872 signed in Rio de Janeiro on May 21, 1927; and the Protocol of Instructions for the Demarcation and Characterization of the Frontier with Brazil signed in Rio de Janeiro on May 9, 1930. The Foreign Ministry thus denies that there are any recent or secret agreements with Brazil.

The Foreign Ministry's report indicates that the work of the Paraguayan-Brazilian Mixed Boundary Commission progressed satisfactorily from 1949 until 1958. Since then, however, no new boundary markers have been set. The Commission during this period has been studying the watershed along the Mbaracayú Cordillera for the last twenty kilometers before this range intersects the Alto Paraná River at or near the point of the Guairá Falls.

The Foreign Ministry's report to Congress includes the full text of a Paraguayan note of protest to the Brazilians dated March 12, 1962; the text in Portuguese of the Brazilian reply of September 19, 1962; and another Paraguayan note of June 10, 1963.

The first Paraguayan note forwarded clippings from Brazilian newspapers carrying news stories to the effect that the Brazilian Minister of Mines and Energy, Gabriel PASSOS, had been authorized by the Council of Ministers to proceed with contracting for a survey leading to the harnessing of the power potential of the

Guairá Falls.

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Guairá Falls. The Paraguayan note indicated that the news stories included minute details about plans to use the falls.

The first Paraguayan note then made two points: 1) that the GCP did not consider that either Paraguay or Brazil could unilaterally propose to use the hydroelectric energy of the falls so long as the Mixed Boundary Commission's work was incomplete; and 2) the GCP "considers that its territorial and fluvial dominion extends over the Salto de Guairá or Salto Grande de las Siete Caídas to an extent which will be determined by the results of the demarcation and characterization of the frontier." Moreover, the note concluded, if the news reports were true and the Brazilians proceeded with their proposal, it would cause a deterioration in the cordial relations currently existing between the two peoples and their countries.

The Brazilian reply of September 19, 1962, refers to an agreement signed by Paraguayan commissioners in Asunción on October 20, 1874, the original of which, it is claimed, is in the archives of Itamaraty. The Brazilian Government states in its note that it sees no reason for waiting for the completion of the work of the Mixed Boundary Commission, which is working on "a dry line of the frontier" between markers already placed and agreed upon in the 1872-1874 period.

One paragraph of the Brazilian note begins, "As to the development of the Salto of the Seven Falls, wholly situated in the territory of Brazil ["Quanto ao aproveitamento do Salto das Sete Quedas situado integralmente em territorio do Brazil"], I wish to inform Your Excellency that the Brazilian Government will be disposed at an opportune time to examine the possibility of the participation of the Republic of Paraguay in the utilization of the electric resources...."

The Paraguayan reply this month to the Brazilian note states that the 1872 Treaty "does not anywhere establish that the Salto Grande de las Siete Caídas or Salto del Guairá belongs exclusively to either one of the two States." The note continues:

"The Salto del Guairá or Salto Grande de las Siete Caídas not only is not wholly situated in the territory of Brazil---as Your Note of September 19, 1962, affirms---but the Republic of Paraguay has rights of territorial sovereignty over its Western bank and, consequently, rights of fluvial sovereignty and rights of condominium over the waters, as far as any of their resources can be utilized."

The note

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The note closes with the statement that Paraguay is quite ready to study with Brazil an agreement for the use of the hydroelectric power of the falls, but "reiterates that the mere enunciation of any project for exclusive utilization on the part of Brazil, impairing the rights of Paraguay, considerably prejudices the relations between our Peoples and Governments."

As if to emphasize the tenor of the latest Paraguayan note, the traditional expression of "highest consideration" at the end of diplomatic notes was abbreviated. The first note had concluded with "mi más alta y distinguida consideración," whereas the second note was more austere, ending with "con distinguida consideración."

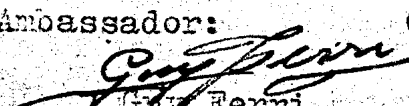
Political Reactions

Officially, as reflected in El Enano, the regular Liberal Party remained unconvinced. The GOP had not acted energetically in the case. It had delayed answering the Brazilian note until practically forced to do so by the opposition (the Brazilian note of September 19, 1962 was not answered until June 10, 1963). This, in itself, was indicative of collusion. Unofficially, the Embassy is informed that the regular Liberal leadership is in accord with the legal stance taken by the GOP and is inclined to believe that the disputed area can be settled by an equitable delineation of the border.

The Revolutionary Directorate of the Liberal Party, on the other hand, was completely satisfied with the Government's report and its alleged action in defense of the nation's territorial integrity. A Liberal member of Congress expressed his opinion to an Embassy officer to the effect that the GOP report on the Guairá Falls will be approved unanimously by the Congress.

COMMENT: The Government's case, resting as it does on international treaties and agreements, was well stated and well received, generally. It seems to have succeeded in removing a potentially explosive political argument, internally; and, at the same time, it seems to have avoided, at least temporarily, a bitter international dispute. Much would seem to depend, however, on the response which Brazil will make to the latest GOP note. If Brazil reaffirms its position and reasserts that the Falls lie within its territorial jurisdiction, it is to be expected that internal political comment will revive with greater force and indignation.

For the Ambassador:


Guy Ferri
Second Secretary of Embassy

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